

be necessary to provide blue stamps for approximately 15 million people. With blue stamp expenditures amounting to \$25 to \$30 per person per year, the cost of the program to the Federal Treasury would be from 375 to 450 million dollars per year."¹ According to the same estimate, it would lead to an increase in farm income of 240-440 million dollars.

The war and the country's defense program have modified some of the basic problems of American agriculture. The industrial boom and the military draft are draining the farms' surplus population. The necessity to supply Britain with food and to safeguard the domestic needs have led to a new agricultural policy designed to encourage the production of all essential food stuffs. The recent legislation has greatly extended the government's power over agricultural production and distribution. The impact of the war situation accelerates only a development towards state control over the market which is universal as well as irresistible. "There is going to be planning in the modern world," writes the Secretary of Agriculture,² "—either autocratic planning or democratic planning. As I look forward to the condition of the world after this war, I think we can avoid autocratic planning—dictatorship—only by proving that we can do a better job with democratic planning."

PAUL W. MASSING (Quakertown, Pa.).

Fabricant, Salomon, with the assistance of **Julius Shirkin**. *The Output of Manufacturing Industries 1899-1937*. National Bureau of Economic Research, Inc. New York 1940. (xxi and 685 pp., 66 tables, 24 charts; \$4.50)

This report deals with the trend of production in American industry, with the exception of mining and public utilities. The period covered runs for 38 years since 1899. Since only from that year on have reasonably adequate data been collected in the U. S. Census of Manufactures. The primary interest of this study is in physical output, the actual quantities of goods produced in American factories. It was only where other information was lacking that the census data on pecuniary value were used, and then merely to supplement the deficiencies in the information on physical output. So, freed of money-mysteries, this study offers extraordinarily important material—though such as should only be used critically—for an examination of changes that occurred in the material state of the population during the period from 1899 to 1937, changes measured not by gold but by quantity of goods actually on disposal. It is to be noted, thus, that the study has not treated cyclical changes but deals exclusively with the most persistent shifts in production.

Evaluation of the rich material offered by the book demands painstaking and detailed analysis. In this review, however, we shall limit ourselves to brief comment on the contents and chief results.

In chapter 3 the author deals with changes in the total manufacturing output. During the years 1899 to 1937 physical output grew 276 per cent,

¹Economic Analysis of the Food Stamp Plan, . . . p. 86.

²Claude R. Wickard, *loc. cit.*

representing an annual increase of 3.5 per cent on the average, while increase in population during the same period ran to only 73 per cent or 1.4 per cent per annum. On the other hand, the Day-Thomas Index for the same years shows a rise of only 203 per cent (p. 47), indicating that the greater rate of increase disclosed by the National Bureau index was based on a greater number of industries, many of them new, rapidly rising ones, such as rayon and rayon goods (p. 49). Were there the possibility of determining the improved quality of the product statistically, the rate of increase in output would be still greater. Calculated per capita of the population, the increase in manufacturing for the period designated comes to 120 per cent. The author stresses that it does not follow from this rate of increase that there was an equivalent "rise in the per capita consumption of finished processed goods" (p. 52) since the total output includes not only consumers goods but capital goods as well. But—and this is a serious defect in the book—the author nowhere carries through a division of the physical output into the two familiar categories of producers goods and consumers goods on the basis of the statistical data, but merely states quite generally that "it is probable that the rise of 120 per cent in the per capita net output of manufacturing industries from 1899 to 1937 overstates the gain in per capita production of finished processed goods" and the probable increase is, quite arbitrarily, put at an estimate of about 100 per cent per capita.

This result of the National Research Bureau's analysis must be sharply questioned. Did the material living standard of the broad mass of the population—expressed in goods—actually rise 100 per cent during the latter 38 years? Since the mass of capital goods increased much more quickly in the course of productive development than the production of consumers goods, the average growth of the total manufacturing output of production must consequently be very strongly overstated. For example, the machinery group as a whole increased its value "almost 50 per cent more than did all manufacturing industries combined" (p. 297). This machinery group, considered by itself, shows a growth of close to 400 per cent in the 38 year period under discussion (p. 298). The increase in total output of transportation equipment was even greater (p. 313).

It follows from this that the per capita increase in quantity of goods actually consumed must be considered significantly less than 100 per cent. This seems to be confirmed by the data the author himself presents on the two most important consumers goods industries, food and textile. In the food industry group, for example, the increase during the period reported comes to 156 per cent (p. 142) as against a population increase of 73 per cent. This would signify a real increase of only 48 per cent in consumers goods. Since, moreover, it is precisely in the food industry that a stronger shift takes place from home made to factory made goods, the real increase in food production becomes even further reduced, and the author himself arrives at the result that the index of increase in per capita consumption of processed goods is overstated (p. 144). Incidentally, the author in a footnote further weakens the value of his calculation: "If caloric content, rather than value added per unit, had been used as the coefficient, *it is possible that no increase in per capita consumption would have been found*" (p. 144). We must ask, therefore, what can be the value of the indices that show an increase of 100 per cent in the output of consumers goods? The danger remains that they might become slogans which can be lightly used for

political propaganda. According to Robert F. Martin¹ the realized national income per capita, adjusted by the General Price Level, increased from \$456 in 1899 to \$531 in 1938 (after it had passed through an artificial inflation in the post-war decade up to 1929). The per capita increase in real income thus came to barely 17 per cent in these 38 years. The unusually great difference in Martin's and Fabricant's researches shows that the statistical methods of research are still in their beginning stages and require further improvement. Fabricant's work, however, is most welcome as a step along this path.

Griffin, John I., *Strikes*, a Study in Quantitative Economics. Columbia University Press. New York 1939. (319 pp.; \$4.00)

Cooke, Morris L., and Philip Murray, *Organized Labor and Production*. Harper & Brothers. New York 1939. (277 pp.; \$2.50)

Ziskind, David, *One Thousand Strikes of Government Employees*. Columbia University Press. New York 1940. (279 pp.; \$3.00)

Galenson, Walter, *Rival Unionism in the United States*. American Council on Public Affairs. New York 1940. (317 pp.; \$3.25)

Sharp, Malcolm and Gregory, Charles D., *Social Change and Labor Law*. The University of Chicago Press. Chicago 1939. (175 pp.; \$2.00)

Written Trade Agreements in Collective Bargaining. National Labor Relation Board, Bulletin No. 4. 1939. (359 pp.)

Dawson, Marshall, *Problems of Workmen's Compensation Administration* in the United States and Canada. U. S. Department of Labor. Bureau of Labor Statistics. Bulletin No. 672. 1940. (229 pp.)

Administration of the Fair Labor Standards Act of October 1938. 2 vols. (mimeographed)

National Labor Relations Board. (mimeographed)

The Walsh-Healey Act. Division of Public Contracts, Department of Labor. *The last three volumes are the monographs No. 12, 18, and 1 of the Attorney General's Committee on Administrative Procedure (1940).*

One of the significant facts about publications in the field of labor law and labor relations is the superiority of the governmental reports over the academic treatises, especially in labor law and not so much in labor economics. In the books under review this fact is amply illustrated. The reason seems to lie in the lack of any theory of labor law which would serve as the *raison d'être* for academic publications in the field. It is even impossible to circumscribe the field of labor law and to delimit it from other disciplines,

¹Robert F. Martin, *National Income in the United States 1799-1938*. National Industrial Conference Board Studies, #241, New York 1939, pp. 6-7.